

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **November 12, 2002**

AGENDA ITEM NO.: 16

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Disposition of City-owned Properties in the Pleasant Valley / Tyreeanna Neighborhood**

RECOMMENDATION:

Following the public hearing on this item approve the attached resolution authorizing the re-sale of two (2) City-owned properties located at 5111 and 5119 Richmond Highway according to guidelines previously approved by City Council.

SUMMARY:

City Council committed to the Pleasant Valley / Tyreeanna Neighborhood that properties located in the view/dust shed area of the City's landfill and waste water treatment plant will be considered for possible acquisition and disposition by the City of Lynchburg. This area is located in close proximity to the landfill and wastewater treatment plant and has been adversely affected by the City operations. A total of twenty-six properties were located in this view/dust shed area. City Council previously authorized \$733,325 for the purchase of such properties located in the view/dust-shed area. City Council approved guidelines for the purchase and disposition of such properties. Homeowners located in this area had the opportunity to request that the City purchase their property. The City utilized independent real estate firms to provide property appraisals and negotiate a fair market price with these homeowners.

A total of nine (9) properties have been acquired by the City from homeowners located within the boundaries of the view/dust shed area. Of these properties, it was determined that three (3) properties located along Tyreeanna Road would not be re-sold and instead used as green space. The remaining six properties acquired by the City would be re-sold. At this time, five of those properties have been re-sold with one remaining property to be re-sold. This property, located at 5111 and 5119 Richmond Highway, has been subdivided and has been advertised for re-sale with conditions existing on the properties as previously approved by City Council. The remaining property was subdivided as follows:

- House and 1.565 acre lot located at 5111 Richmond Highway
- House and 1.869 acre lot located at 5119 Richmond Highway

The guidelines, approved by City Council for the disposition of City properties, require the City to advertise and accept sealed bids for resale of said properties. A sealed bid sale for the two properties was advertised in the News & Advance on July 28, 2002, August 4, 2002 and August 11, 2002. The bids were opened publicly on August 19, 2002 @ 10:00 AM at the Milton Realty Service Company office. Restrictions are included in the deed from the City to the purchaser and run congruently with the chain of title that requires the purchaser to reside in the property for a period of at least three (3) years, unless the property is re-sold to another occupant under the same restrictions. In no instance will the City property be sold to a landlord or investor for the purpose of converting the residence to a rental unit. The Pleasant Valley / Tyreeanna Neighborhood is currently predominantly owner-occupancy and conversion to rental units could adversely affect its social and economic welfare. These restrictions as well as other restrictions were adopted by City Council on May 11, 1999. Information regarding the bids and bidders names is included in an attached report prepared by Milton Realty Service Company, Inc.

PRIOR ACTION(S):

March 23, 1999 – City Council appropriated \$500,000 for property acquisitions in Pleasant Valley / Tyreeanna Neighborhood.

May 11, 1999 – City Council approved the guidelines for property acquisitions and dispositions in the Pleasant Valley / Tyreeanna Neighborhood.

June 13, 2000 – City Council approved disposition of five properties previously purchased in Pleasant Valley / Tyreeanna Neighborhood.

June 26, 2001 – City Council appropriated \$233,325 for property acquisitions in Pleasant Valley / Tyreeanna Neighborhood.

October 8, 2002 – City Council's Physical Development Committee (PDC) approved and recommended sending the report forward for a Public Hearing and full City Council consideration.

FISCAL IMPACT: Shown below is an income statement that reflects City funds that were used to acquire various properties and the revenue realized from the resale of some of those properties.

Property Purchase and Disposition

<u>Income Statement:</u>	<u>Amount</u>
• Beginning Appropriations	\$ 500,000.00
• Supplemental Appropriations	233,325.00
• Actual Expenses (Appraisal, Purchase and Resale)	<u>730,249.40</u>
Subtotal	3,075.60
• Actual Resale Revenue	186,964.09
• Projected Resale Revenue	<u>61,600.00</u>
Subtotal	248,564.09
• Amount Returned to Solid Waste Fund Balance	\$ 251,639.69
• Net Amount Spent on Property Purchases	\$ 481,685.31

CONTACT(S):

Dave Owen (847-1806 ext. 22)
Bruce McNabb (847-1362 ext.268)

ATTACHMENT(S):

Council Resolution
Lowell Milton Realty Report

REVIEWED BY: lkp

Resolution

WHEREAS, the City is the owner of the properties located at the following addresses:

- (1) House and 1.565 acre lot located at 5111 Richmond Highway
- (2) House and 1.869 acre lot located at 5119 Richmond Highway

WHEREAS, the City does not have any future plans for any of these properties and the City's continued ownership of these properties is not necessary for the best interests of the City; and

WHEREAS, the resale of these properties will help enhance the Pleasant Valley / Tyreeanna Neighborhood and will demonstrate the City's support for ownership.

NOW, THEREFORE, BE IT RESOLVED That the City Council of the City of Lynchburg determines the City has no need for these two properties: House and 1.565 acre lot located at 5111 Richmond Highway; and House and 1.869 acre lot located at 5119 Richmond Highway; that the City's continued ownership of the properties is no longer necessary or required for the best interest of the City.

BE IT FURTHER RESOLVED That City Council approves the conveyance of these said properties to Mr. T. A. Schlapman (5111 Richmond Highway) and Ms. Carolyn D. Woodson (5119 Richmond Highway) meeting the criteria as previously approved by City Council and authorizes the City Manager to execute a deed and such other documents as may be necessary to complete the transfer of said City-owned properties.

Introduced:

Adopted:

Certified:

Clerk of Council

223L